



INSPIRING EXCELLENCE TOGETHER

The Children First Learning Partnership Conflicts of Interest Policy (Version 5)

The Conflicts of Interests Policy in respect of the Children First Learning Partnership has been discussed and adopted by the Directors Board

Chair of Board: Mrs N. Chell

Responsible Officer: CEO – Mrs A Rourke

Agreed and ratified by the Directors 18.03.2024

To be reviewed: March 2025

1. Introduction

- 1.1. This Policy sets out the Framework for ensuring that the decisions and decision-making processes at the Children First Learning Partnership are, and are seen to be, free from personal bias and do not unfairly favour any individual or company connected to the Trust.
- 1.2. Members, Directors, Governors and Senior Employees of the Trust have an obligation to act in the best interests of the Trust and in accordance with its Articles of Association in order to avoid situations where there may be a conflict of interest.
- 1.3. Situations may arise where family interests or loyalties conflict with those of the Trust. They may create problems as they can inhibit free discussions, result in decisions or actions that are not in the interests of the Trust and risk the impression that the Trust has acted improperly.
- 1.4. The aim of this Policy is to ensure that:
 - a. Every Member, Director, Governor and Senior Employee understands what constitutes a conflict of interest and that they have a responsibility to identify and declare any conflicts that might arise.
 - b. Every potential conflict of interest is identified, prevented and recorded, ensuring that the conflict does not affect the decision-making of the Trust.

2. Definition

- 2.1. For the purpose of this document:
 - a. Members, Directors and Governors are referred to as Trustees;
 - b. Children First Learning Partnership is referred to as The Trust;
 - c. Students refers to all students being educated or on site at any one of the schools within the Children First Learning Partnership.

3. Legal Framework

This policy takes its legal framework from the following legislation and statutory guidance:

- Companies Act 2006
- Conflicts of Interest: A Guide for Charity Trustees (Charity Commission).

This policy should be read in conjunction with the following other documents:

- Academy Trust Handbook (Education Funding Agency)
- Articles of Association
- Terms of Reference
- Code of Conduct.

This policy is consistent with the Academy Trust Handbook which also states that academy trusts should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit which might be seen to compromise the personal judgement or integrity of members, trustees, staff and/or any other representative of the trust.

This policy also complies with the Trust funding agreement and articles of association.

- 3.1. This Policy takes its legal framework from the following legislation and statutory guidance:
 - a. Companies Act 2006;
 - b. Conflicts of Interest: A Guide for Charity Trustees;
 - c. The ESFA Academy Trust Handbook;
 - d. The Articles of Association of the Children First Learning Partnership.

4. What is a Conflict of Interest

4.1. The Trust adopts the definition of the Charity Commission which states that a Conflict of Interest is any situation where a Director or Senior Employee's personal interests or loyalties could, or could be seen, to prevent the Director or Senior Employee from making a decision in the best interests of the Trust.

4.2. Conflicts of interest usually arise in the following situations:

- a. **Benefits to Directors/Senior Employees** - There is a potential financial or measurable benefit directly to a Director or senior employee, or indirectly through a connected person. Examples of benefits are where the trustees or senior employees decide to:
 - sell, loan or lease Trust assets to a Director or senior employee
 - acquire, borrow or lease assets from a trustee for the Trust
 - pay a Director for carrying out their Director role
 - pay a Director for carrying out a separate paid post within the Trust, even if that Director has recently resigned as a Director
 - pay a Director, or a person or company closely connected to a Director or senior employee, for providing a service to the Trust. This covers anything that would be regarded as a service and includes legal, accountancy or consultancy services through to painting or decorating the trust's premises, or any other maintenance work
 - employ a Director's or senior employee's spouse or other close relative at the Trust
 - make a grant to a Director, or a person who is a close relative of a Director
 - allow a Director or senior employee to influence service provision to their exclusive advantage

- b. **Conflict of Loyalty**- a Director's or senior employee's duty to the Trust may compete with a duty or loyalty they owe to another organisation or person. A conflict of loyalty could also arise where the religious, political or personal views could interfere with the ability of the Director or senior employee to decide the issue only in the best interests of the Trust. For example, a Director's or senior employees loyalty to the Trust could conflict with his or her loyalty to:
 - another organisation, such as their employer
 - another charity or trust of which they are a trustee/director
 - a member of their family
 - another connected person or organisation

The test is always that there is a conflict of interest if the Director's or senior employees other interest could, or could be seen to, interfere with the Director's or senior employees ability to decide the issue only in the best interests of the Trust.

5. Identifying the Conflict of Interest

5.1. Directors and Senior Employees are expected to identify any conflicts of interest at an early stage.

5.2. A standard agenda item must be included at the beginning of each Board of Director and Director Committee Meetings to enable the declaration of any actual or potential conflicts of interest.

- a. If a Director is uncertain whether or not he or she is conflicted, he or she should err on the side of openness, declaring the issue and discussing it with the other Directors.

- b. If a Director is aware of an undeclared conflict of interest affecting another Director, they should notify the other Directors or the Chair.
- 5.3. If a conflict of interest is identified outside of a meeting, the Director or Senior Employee must complete a Conflict of Interest Form and submit it to the relevant Clerk of the Board of Directors or Local Advisory Board.
- 5.4. On an annual basis, or when a Director or Senior Employee joins the Trust, a Conflict of Interest Form must be completed to enable the Register of Interest to be kept up to date.

6. Dealing with the Conflict of Interest

- 6.1. Directors must consider the conflict of interest so that any potential effect on decision-making is eliminated.
- 6.2. Where available, legal or governing document requirements on how a conflict of interest must be used, however, in serious cases, it can be decided that removing the conflict of interest itself is the most effective way of preventing it from affecting the decision-making.
- 6.3. Examples of Important legal or governing document requirements are:
- a. Academy Trust Handbook, Section 5.35 Trading with Connected Parties, which deals with goods or services provided by individuals or organisations connected to the academy trust which must only be provided at cost.
 - b. The Trust's Articles of Association, Articles 97-98 and Articles 6.5-6.8A. which cover Conflict of Interest.
- 6.4. Serious conflicts of interest include, but are not limited to, those which:
- a. Are so acute and extensive that the Director is unable to make their decisions in the best interest of the Trust, or could be seen to be unable to do so.
 - b. Are present in significant or high risk decisions of the Directors.
 - c. Mean that effective decision-making is regularly undermined or cannot be managed in accordance with the required or best practice approach.
 - d. Are associated with inappropriate Directors benefit.
- 6.5. **Benefits to Directors/Senior Employees** - Where there is a proposed financial transaction between a Director/Senior Employee and the Trust, or any transaction or arrangement:
- a. The benefit must be authorised in advance by the Finance Audit Resource and Risk Committee. If there is no Committee meeting planned within the time frame of authorisation being required, then the Chair of the Finance Audit Resource and Risk Committee and one other Finance Audit Resource and Risk committee member can be contacted to authorise the benefit. If the person affected is the Chair of the Finance Audit Resource and Risk Committee then the Chair of the Directors plus one other Finance Audit Resource and Risk Committee member must authorise the benefit.
 - b. The Directors and Local Advisory Boards expects the affected Director/Governor to be absent from any part of any meeting where the issue is discussed or decided.
 - c. The affected individual should not vote or be counted in deciding whether a meeting is quorate.
- 6.6 **Conflicts of Loyalty** - Where there is a conflict of loyalty and the affected Director does not stand to gain any benefit and there are no specific governing document or legal provisions about how the conflict of loyalty should be handled, the affected Director should declare the interest. The remainder of the Directors must then decide what level of participation, if any, is acceptable on the part of the conflicted Director. The options might include, but are not limited to, deciding whether the conflicted Director:
- a. Having registered and fully declared the interest, can otherwise participate in the decision.

- b. Can stay in the meetings where the decision is discussed and made, but not participate.
- c. Should withdraw from the decision-making process in the way described above.
- d. If a conflict of interest is raised outside of a meeting and there is no meeting planned within the time frame of the conflict needing to be reviewed, the Chair of the Trust plus one other Director or Chair of Local Advisory Board, plus one Local Advisory Board member, can be contacted to consider the conflict of interest and determine the resolution. If the person affected is the Chair of Local Advisory Board then the Chair of the Directors plus one other Director must consider the conflict of interest and determine the resolution. Where the Chair of the Trust is affected then a Member and one other Director must consider the conflict of interest and determine the resolution. The resolutions must be recorded on the Conflict of Interest Log.

7. The Decision-making Process

The Trust states that key decision makers can only benefit from the Trust where there is an explicit authority obtained in advance. Authority is required where there is the possibility of benefit, therefore it is imperative that there is proper authority for any situation where a key decision maker could benefit, irrespective of whether there is any actual benefit to them. The Trust seeks to ensure that proper procedures are in place to authorise benefits or potential benefits to all Relevant Individuals.

Where there is a proposed financial transaction between the Trust and a Relevant Individual (or closely related individual or organisation), or any transaction or arrangement which confers a benefit to the Relevant Individual, which does not contravene the Trust's governing documents or the Academy Trust Handbook:

- the benefit must be authorised in advance by the Finance Audit Resource and Risk Committee. If there is no Finance Audit Resource and Risk Committee meeting planned within the time frame of authorisation required, then the Chair of the Finance Audit Resource and Risk Committee and Chair of Trustees can be contacted to authorise the benefit. Where the Relevant Individual is the Chair of the Finance Audit Resource and Risk Committee, then the Chair of Trustees plus one other member of the Finance Audit Resource and Risk Committee must authorise the benefit.
- the Relevant Individual must absent him/herself from any part of the meeting in which the issue is discussed or decided.
- the Relevant Individual must not vote or be counted as part of the quorum for the matter.

Where there is a conflict of loyalty and the Relevant Individual does not stand to gain any benefit and the Trust's governing documents do not specify how the conflict of loyalty must be handled, the Relevant Individual should declare the interest which should be duly registered and the rest of the meeting must then decide the acceptable level of participation of the Relevant Individual.

The options may include, but are not limited to, the decision to:

- allow the Relevant Individual to participate in the decision;
- allow the Relevant Individual to remain in the meeting where the decision is discussed but not participate;
- require the Relevant Individual to absent him/herself from the part of the meeting in which the issue is discussed or decided.

When deciding which course of action to take regarding the conflict of loyalty, the following must be borne in mind:

- the decision must be made only in the best interests of the Trust and be demonstrably so;
- conflict must pose no risk or low risk to the decision-making being made in the best interests of the Trust;
- due regard to the protection of the Trust's reputation must be paid and the impression given to those outside the Trust;
- the presence of a conflicted individual could affect trust between participants of the meeting and inhibit free discussion or influence decision-making.

Minutes should record details of any and all discussions on potential conflicts of interest and the decisions made.

8. 'At cost' transactions

The Academy Trust Handbook also states that a Trust must pay no more than 'cost' for goods or services provided to it by the following parties ('services' do not include services provided under a contract of employment):

- members or trustees of the academy trust
- individuals or organisations related to a member or trustee of the academy trust. For these purposes the following persons are related to a member, or trustee:
 - a relative of the member or trustee. A relative is defined as a close member of the family, or member of the same household, who may be expected to influence, or be influenced by, the person. This includes, but is not limited to, a child, parent, spouse or civil partner
 - an individual or organisation carrying on business in partnership with the member, trustee or a relative of the member or trustee
 - a company in which a member or the relative of a member (taken separately or together), and/or a trustee or the relative of a trustee (taken separately or together), holds more than 20% of the share capital or is entitled to exercise more than 20% of the voting power at any general meeting of that company
 - an organisation controlled by a member or the relative of a member (acting separately or together), and/or a trustee or the relative of a trustee (acting separately or together). For these purposes an organisation is controlled by an individual or organisation if that individual or
 - organisation can secure that the affairs of the body are conducted in accordance with the individual's or organisation's wishes
- any individual or organisation given the right under the trust's articles of association to appoint a member or trustee of the academy trust; or any body connected to such individual or organisation
- any individual or organisation recognised by the Secretary of State as a sponsor of the academy trust; or any body connected to such individual or organisation

A body is connected to another individual or organisation if it is controlled by the individual or organisation, or controls the organisation, or is under common control with the individual or organisation. For these purposes, control means:

- holding more than 20% of the share capital (or equivalent interest), or
- having the equivalent right to control management decisions of the body, or
- having the right to appoint or remove a majority of the board or governing body

The 'at cost' requirement applies to contracts for goods and services from a related party exceeding £2,500, cumulatively, in any one financial year. For these purposes, where a contract takes the trust's cumulative annual total with the related party beyond £2,500, the element above £2,500 must be at no more than cost.

Academy trusts must be even-handed in their relationships with connected parties by ensuring that trustees understand and comply with their statutory duties as company directors to avoid conflicts of interest, not to accept benefits from third parties, and to declare interest in proposed transactions or arrangements.

9. Recording the Conflict of Interest

9.1 The Trust must keep a Register of Interests for the Board of Directors, Senior Employees and for each Local Advisory Board, which must be published on their websites. This Register of Interest must be kept up to date through regular review.

9.2 The Academy Trust Handbook covers what must be captured in the Register of Interest and what must be published on the website and is extracted below:

- a. The academy trust's register of interests **must** capture relevant business and pecuniary interests of members, Directors, local advisory boards of academies within a multi-academy trust and senior employees, including:
 - directorships, partnerships and employments with businesses

9.3 A Declaration of Interest Log must be kept by each Board of Directors and Local Advisory Board, which details the potential conflicts, the discussions and the resolutions. A copy of the Log is at Appendix A.

9.4 The Logs will be monitored by the Finance Audit Resource and Risk Committee to ensure that actions forming part of the resolution are appropriate, are following legal requirements and have been implemented correctly.

10. Confidentiality

10.1 Directors or Senior Employees cannot use information obtained from the Trust for their own benefit or that of another organisation if it has been obtained in confidence or has special value such as commercial sensitivity.

11. Monitoring and Enforcement

11.1 The Trust's Finance Audit Resource and Risk Committee will undertake continuous monitoring of its activities and the Directors/Senior Employees to ensure that any conflicts of interest are identified and mitigated as soon as possible.

11.2 Directors and Senior Employees who fail to declare an interest and are found to be in conflict with the best interests of the Trust will be expected to explain to the Finance Audit Resource and Risk Committee their reasons for their omission.

11.3 Members reserve the right to terminate the membership of the relevant Directors, if they are found to have knowingly and deliberately failed to declare an interest and has brought the Trust into disrepute.

11.4 It will be treated as a serious disciplinary matter if a Senior Employee is found to have knowingly and deliberately failed to declare an interest and brought the Trust into disrepute.

12. Policy Circulation

12.1 This Policy will be published on the Trust's website and included in the Trust's Policy Monitoring Schedule

12.2 This Policy will be circulated to every Member, Director, Local Advisory Board member and Senior Employee by sending an email to the link on the Trust's website on an annual basis and when each new Member, Director, Local Advisory Board member and Senior Employee joins the Trust.

12.3 The Directors, in consultation with the Local Advisory Boards, are responsible for overseeing, reviewing and organising the revision of the Conflict of Interest Policy.

Adoption of the Policy

This Policy has been adopted by the Directors of the Children First Learning Partnership.

Version Control:

Version	Date	Amendment	By
V2	01.03.2021	Name of chair changed to Mrs N. Chell (Front cover)	CEO
V2	01.03.2021	Date of review and ratification changed to 15.03.2021 (Front cover)	CEO
V2	01.03.2021	Page 4 Section 6.5 Risk added to title of Finance Audit Resource and Risk Committee	CEO
V2	01.03.2021	Page 7 Section 9.4 Risk added to title of Finance Audit Resource and Risk Committee	CEO
V2	01.03.2021	Page 7 Section 11.3 Risk added to title of Finance Audit Resource and Risk Committee	CEO
V3	28.02.2022	Review dates amended	CEO
V4	21.02.2023	Review dates amended	CEO
V4	21.02.2023	Page 4 Section 6.3 c Academies Financial Handbook, Section 5.34 changed to Academies Financial Handbook, Section 5.35	CFO
V5	24.01.2024	Review dates amended	CFO
V5	24.01.2024	Throughout Academies Financial Handbook changed to Academy Trust Handbook	CFO